

NRC PUBLIC DOCUMENT ROOM



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	
)	
PUGET SOUND POWER & LIGHT)	DOCKET NOS. 50-522
COMPANY, et al.)	50-523
)	
(Skagit Nuclear Power)	June 13, 1979
Project, Units 1 and 2))	

THE WASHINGTON WATER POWER COMPANY'S
RESPONSE TO INTERVENOR SCANP'S
DISCOVERY REQUESTS OF MAY 24 AND MAY 30, 1979

The Washington Water Power Company responds to Inter-
venor Scanp's Discovery Requests of May 24 and May 29, 1979
as follows:

TO WASHINGTON WATER POWER
REQUESTS OF MAY 29, 1979

INTERROGATORY NO. 1: Please describe specifically all
computations, reports, studies, estimates, calculations and
other records and documents of any kind which pertain to the
following:

(a) The cost of construction for your proposed
Lincoln County Coal-generating Plant.

(b) The cost of operation for your proposed
Lincoln County Coal-generating Plant including cost of
fuel, transportation and transmission lines.

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(c) The estimated cost of power to be produced by your proposed Lincoln County generating facility.

ANSWER: Attached hereto is memorandum from R. E. Henriques to D. L. Olson dated January 15, 1979 - Subject Creston-Capital Cash Flow Forecast, to which is attached a document entitled Creston Project - Summary Sheet Capital Cash Flow Forecast \$ x 1,000 and additional sheet labeled Creston Forecast Explanatory Notes.

These sheets were prepared for the use of the Finance Department of the Washington Water Power Company (WWP) in projecting, on the most conservative basis, Capital Requirements for the future. Estimates were made based on general literature on the subject including an Electric Power Research Institute publication entitled "Coal-Fired Power Plant Capital Cost Estimates EPRI AF-342 Project SOA 76-329, Final Report January 1977, Power Engineering - May 1978, letter from Westmoreland Resource dated July 21, 1977, letter from Burlington Northern dated January 25, 1977, Reynolds Aluminum Economic Analysis-Aluminum vs. Steel Coal CArS dated February 23, 1978, and information from Portland General Electric Company related to cost of coal delivered to Boardman. The resulting figures are not intended to be precise but only order of magnitude figures. The dates used are also only for comparative purposes and do not reflect any decisions relating to the construction period.

WWP has made no estimate of the cost of operation or of the cost of power to be produced.

REQUEST FOR PRODUCTION NO. 1: Please produce for inspection and copying the office of Intervenor's counsel on the 21st day after the date of service hereof upon you, at 9:30 a.m. or at such other date and time as counsel may mutually agree, all documents described in your answer to the foregoing interrogatories.

RESPONSE: A copy of the Electric Power Research Institute document and the Reynolds Aluminum analysis will be made available for inspection and copying at the offices of applicant's attorney at any mutually convenient time between now and July 10, 1979. Copies of the relevant portions of other documents are enclosed to SCANP under separate cover.

TO APPLICANTS
REQUEST OF MAY 24, 1979

INTERROGATORY NO. 8: With respect to the proposed WWP Coal-fired Plants in Eastern Washington:

- (a) What sources for coal have been considered?
- (b) Describe all information WWP has regarding availability, supply, price and transportation cost for such coal.

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(c) Who will (1) design, (2) build and (3) operate the plant?

(d) When did design work begin?

(e) Have any purchases been made to date relating to such a plant and if so, when, by whom, from whom, of what, and in what amount?

(f) Is such plant yet reflected in any formal or informal, inhouse, or public forecast of resources?

(g) When is construction to begin?

ANSWER:

(a) Coal from sources in Eastern Montana, Eastern and Southwestern Wyoming and Canada have been considered.

(b) Much of this material has been previously supplied in response to Intervenor's interrogatories dated March 29, 1977. In addition the studies and materials outlined in answers to the Requests of May 29, 1979, have been considered. WWP also receives a constant flow of publications that are available to all members of the public, including SCANP.

(c) It is expected that the Washington Water Power Co. will operate the plant. No decision has been made as to who will design or build it.

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(d) Design work has not commenced.

(e) No purchases have been made to date directly relating to the plant except for the real estate acquired and air monitoring systems installed.

(f) The plant is not yet reflected in any formal or informal inhouse or public forecast of resources as stated above. For financial planning purposes, some assumptions have been made inhouse on an ultra conservative basis as described above.

(g) Date that construction is to commence has not been determined.

REQUEST FOR PRODUCTION NO. 10

Produce all notes, memoranda, correspondence, studies, reports and other documents of any kind relating in any way to the proposed WWP Coal-fired Plant in Eastern Washington, including all such materials in the hands of engineers and consultants.

RESPONSE AND OBJECTION: WWP objects to the request to produce all such documents. There is no conceivable way that all such documents would relate to the matters in controversy in this case. As SCANP is well aware there have been extensive studies made relating to siting of this plant and the environmental aspects of the specific site that is

being developed. The only conceivable issue relates to the cost of power from a coal-fired plant. WWP does not concede that this is an issue and specifically does not consider Creston an alterantive to Skagit. To comb the files of this company and all engineers and consultants in any way involved in this plant would constitute an undue burden and expense. All information considered usable by the Company, relating to the above issue, has been supplied.

DATED: June 13, 1979.

PERKINS, COLE, STONE, OLSEN & WILLIAMS

BY

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STATE OF WASHINGTON)
 : ss.
COUNTY OF SPOKANE)

D. L. OLSON, being first duly sworn on oath, deposes and says: That he is Vice President of The Washington Water Power Company; that he has read the foregoing RESPONSE TO INTERVENOR SCANP'S DISCOVERY REQUESTS OF MAY 24 AND MAY 30, 1979, and is informed and believes that the answers stated therein are true.

D. L. Olson

SUBSCRIBED AND SWORN to before me this 13th day of June, 1979.

Alam. O. Kelly

Notary Public in and for the State
of Washington, residing at Spokane.

The Washington Water Power Company

INTEROFFICE MEMORANDUM

THERMAL PROJECTS

TO: D. L. Olson

DATE: January 15, 1979

FROM: R. E. Henriques

SUBJECT: Creston -- Capital Cash Flow Forecast

The attached forecast summary sheet tabulates the total costs for the three 500MW units at Creston. The explanatory notes define the considerations that were used in preparing the forecast.

This forecast was used in the preparation of the 10-year forecast submitted to the Finance Department. However, the figures included in the 10-year forecast represent 100 percent of the commitment required through 1983 and 50 percent of the commitment required from 1984 through 1988. This represents an arbitrary division of costs until agreements are reached with potential partners in Creston.

REH:ag

Attachment

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CRESTON PROJECT -- SUMMARY SHEET
CAPITAL CASH FLOW FORECAST
\$ X 1,000

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	
1. Land Acquisition		100	2,160	2,060			2,000	2,000	2,000	2,000				
2. Site Certificate	850	1,250	1,000			100	100	100	100	100				
3. Engr., Design, Const. #1	50	75	100	100	7,950	47,600	119,470	119,470	47,600	7,950				
4. Coal Supply & Cars #1	175	30	80				3,150	3,150	13,119	12,111				
5. Subtotal	1,075	1,455	3,340	2,160	7,950	47,700	121,570	124,720	62,819	22,161			394,950	
6. Escalation @ 6%	65	165	401	26	2,760	20,034	60,755	73,585	43,345	17,507			218,616	
7. TOTAL - Creston #1 & Common	1,140	1,620	3,741	2,186	10,653	67,734	182,355	198,305	106,164	39,668			613,566	\$1,227/KW
8. Engr., Design, Const. #2														
9. Coal Supply & Cars #2						6,356	38,080	95,564	95,564	38,080	6,356			
10. Subtotal									3,150	13,119	12,111			
1. Escalation @ 6%						6,356	38,080	95,564	98,714	51,193	18,467		308,380	
2. TOTAL - Creston #2						2,670	19,040	56,383	68,112	40,447	16,620		203,272	
3. Engr., Design, Const. #3						9,026	57,120	151,947	166,826	91,646	35,087		511,652	\$1,023/KW
4. Coal Supply & Cars #3														
5. Subtotal							6,356	38,080	95,564	95,564	38,080	6,356		
6. Escalation @ 6%										3,150	13,119	12,111		
7. TOTAL - Creston #3							6,356	38,080	95,564	98,714	51,199	18,467	308,380	
							3,178	22,467	65,940	77,981	10,079	18,652	234,300	
							9,534	60,547	161,504	176,695	97,276	37,119	542,680	\$1,085/KW
													1,667,893	

CRESTON FORECAST
EXPLANATORY NOTES

1. Costs are total commitments for Creston 1, 2, and 3.
2. Costs are 1978 dollars, with escalation calculated at 6%/year compounded.
3. Costs for the engineering, design, and construction were based on \$700/KW for Creston 1 and \$560/KW for Creston 2 and 3. This allowance is for the common facilities required for the first unit.
4. Transmission system costs are not included.
5. Commercial operation dates are 7-1-88, 7-1-89, and 7-1-90 for Units 1, 2, and 3 respectively.
6. Costs of coal inventory and purchase of coal cars are included.

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